



1 September 2017

**SECOND OFFTAKE MOU AGREEMENT SIGNED
WITH CHINA RARE EARTH HOLDINGS LIMITED**

HIGHLIGHTS

- **Hastings announces its second MOU with China Rare Earth Holdings Limited for the future supply of Mixed Rare Earth Carbonate from Hastings' Yangibana project in Western Australia.**
- **The parties have agreed to enter discussions to formalise a commercial offtake agreement for Hastings to sell 2,000 tonnes of Mixed Rare Earth Carbonate (MREC) per annum to China Rare Earth Holdings Limited.**
- **This second MOU agreement is for a period of three years with an option to extend for two years.**

INTRODUCTION

Hastings Technology Metals Limited's (ASX:HAS) (Hastings or the Company) is pleased to advise that it has signed its second Memorandum of Understanding (MOU) with China Rare Earth Holdings Limited (CREH). Under the MOU the parties have outlined their intent to enter into a binding commercial offtake agreement for the sale by Hastings and purchase by CREH of Mixed Rare Earth Carbonate ("**MREC**"), which will be produced from Yangibana, Western Australia. The framework for the commercial offtake agreement is set out in the MOU, and the final terms and conditions will be formalised in a contract.

The Parties have undertaken to negotiate in good faith to reach agreement for a commercial offtake contract within 12 months from the date of the MOU. Pricing for the MREC will be based on a formula taking into account prevailing market prices prior to shipment.

Charles Lew, Hastings Executive Chairman, said *"This second MOU for an offtake agreement with CREH is further confirmation of the confidence of potential customers in Hastings' ability to deliver an MREC to the required specifications in accordance with its planned production timeline. Our carbonate was sent to*

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Board

Charles Lew (Executive Chairman)

Anthony Ho (Non-Exec Director)

Jean Claude Steinmetz (Non-Exec
Director)

Guy Robertson (Finance Director
and Company Secretary)

CREH for analysis and testing and they have validated it to contain exceptionally high neodymium and praseodymium content, in line with our published results following completion of our beneficiation and hydrometallurgy pilot plant tests. “

CREH is an established rare earth and refractory products manufacturer located in Jiangsu Province in the Peoples' Republic of China ("PRC"). The Group has been listed on The Stock Exchange of Hong Kong Limited since 1999 and is the first Chinese private enterprise which engages in the manufacture of rare earth and refractory products that is publicly listed outside the Chinese mainland.

The Parties have additionally acknowledged that any commercial offtake agreement is contingent on Hastings starting operations and production of MREC from the Yangibana mine, and with any additional conditions usually included in commercial off-take contracts.

Hastings estimates an annual production quantity of 15,000 tonnes of MREC, which it will sell to offtake partners, with production projected to commence in 2H 2019.

CREH

CREH is one of the leading and most well-respected rare earth and refractory products manufacturers in the Peoples' Republic of China ("PRC"). The Group has been listed on The Stock Exchange of Hong Kong Limited since 1999. It is the first Chinese private enterprise which engages in the manufacture of rare earth and refractory products and is publicly listed outside the Chinese mainland.

The company began its business in 1987 in the city of Yixing, Jiangsu Province, the PRC. Commencing operations as a rare earth separation and refining plant, it has an annual processing capacity of 6,500 tonnes comprising a smelting workshop, several rare earth extraction lines and numerous cutting edge equipment. It has grown rapidly to become a recognised rare earth producer where its products are also exported overseas to customers such as General Electric, Nippon Electric Glass, Siemens, Shin-Et Chemical, etc. The Group has a research and development centre that focus on improving existing products and developing new products.

Hastings Technology Metals

Hastings is currently developing a rare earths mine and processing plant at Yangibana in the Gascoyne Region of Western Australia. The processing plant is anticipated to commence production of MREC in 2H 2019. Hastings has completed both beneficiation and hydrometallurgy pilot plants, in the process producing MREC samples which are high in neodymium and praseodymium content. These are critical materials for the production of permanent magnets and other technology applications. The MREC will be capable of being further refined and treated to produce a number of separated rare earth oxides outside of Australia. Hastings estimates an annual production quantity of 15,000 tonnes of MREC, which it will sell to offtake partners.

The Yangibana Project hosts JORC Resources totalling 17.02 million tonnes at 1.27% TREO (comprising Measured Resources of 2.92 million tonnes at 1.04% TREO, Indicated Resources of 7.19 million tonnes at 1.43% TREO and Inferred Resources of 6.90 million tonnes at 1.21% TREO), including 0.41% Nd₂O₃+Pr₆O_{11.1}

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